

## **GOVERNMENT OF ANDHRA PRADESH**

### **ABSTRACT**

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.54 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against Sri Naseeruddin Ahmed, APPO (Retd.) – Imposition of punishment of withholding of Rs.2,250/- per month from his pension for a period of twelve (12) months under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

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### **FINANCE (ADMN.I.VIG.) DEPARTMENT**

**G.O.Rt.No. 4574**

**Dated: 02-11-2010**

**Read the following:-**

1. DTA Charge Memo.No. K5/22856/2001-1 , dt: 14-02-2004.
2. Defence Statement of Sri Md.Naseeruddin Ahmed, APPO, ((Retd),dt: 27-09-2006.
3. G.O.Rt.No.4512, Finance (Admn.I.Vig) Dept, dt: 19-11-2008.
4. Enquiry Report of Sri Janak Raj, Commissioner of Inquiries D.O.Lr.No.2128/COI.JR/2008,dt:05-11-2009.
5. Govt.Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dt.17-11-09.
6. DTA. Lr.No. K(II)8/22856/2001, dated 27-03-2010 along with Representation of Sri Md.Naseeruddin Ahmed, APPO, (Retd.) dt. 22-12-2009.
7. Govt. Memo.No.13365-A/42/A2/Admn.I.Vig/2003-7, dated 22-06-2010.
8. Explanation of Sri Md.Naseeruddin Ahmed, APPO, (Retd.), dt.09-07-2010.
9. Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 26-08-2010 addressed to Secretary, APPSC.
10. Secretary, APPSC Lr.No.1248/RT-I/3/2010, dated 07-10-2010.

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### **ORDER:**

The Director of Treasuries and Accounts, in the reference 1<sup>st</sup> read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the names of the deceased pensioners, and get the addressed changed and change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this fraud in about 30 cases. On the request of the police the probable amount of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and it is found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited the pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep the safe-custody of the records. This has given scope for the culprits and those who were in connivance with them to have easy access and commit the fraud. The Charged Officers

failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms. No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved the way for the culprits to tamper with the records of the office and to resort to the fraudulent drawals.

2. Departmental Proceedings were initiated against Sri Md.Naseeruddin Ahmed, the then APPO now (Retired) along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against Sri Md.Naseeruddin Ahmed, APPO, (Retd), vide DTA Charge Memo. No. K5/22856/2001-9, O/o the Directorate of Treasuries and Accounts, A.P., Hyderabad dated 14-02-2004.

***Sri Md.Naseeruddin Ahmed (Retd), while working as APPO, Panjagutta during the period from December 1999 to November 2001 has failed to follow the procedure prescribed in A.P.Treasury Code and Instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and was responsible for a loss of Rs.14,408/- to the exchequer.***

***Thus, Sri Md.Naseeruddin Ahmed, the then APPO, Punjagutta now (Retd), by the above mentioned acts has exhibited lack of integrity devotions to duty and conduct unbecoming of a Government Servant and thereby contravened Rule 3 (1) & (2) of A.P. Civil Service (Conduct) Rules, 1964.***

3. In his defence statement, while denying the article of charge framed against him stated that the PPO in question was transferred from the office of the Asst. Pension Payment Officer, Bank Section, M.J.Road in the month of August, 1998. As seen from the Annexure-III of charge memo, three of his predecessors were held responsible for the payment of pension to this said bogus pensioner. He was not APPO concerned as on the date of receipt of the APPO in Punjagutta branch. He was alleged that he had held responsible for the payment of pension to Smt. Vazeer Bee, Holder of PPO No. 060002549 bogus pensioner amounting to Rs.14,408-00 during the period of her officiating as APPO in the Office of the Asst. Pension Payment Officer Punjagutta and APPO, from 12/99 to 11/2001. **The question of seeing the pensioner would not arise as the pension was being paid compulsorily through the Banks in terms of the orders issued in G.O.Ms.No.79 Finance & Planning (F.W.PSC) Dept., dt. 4-3-1989 from April, 1989 onwards in respect of pensioners drawing pension in the twin cities. Subsequently orders have been issued in G.O.Ms.No. 213, Finance and Planning (F.W. P.S.C) Dept., dt. 19-12-1997 for implementation of the scheme of payment of pensions through the banks in the entire State. According to Para 8.1 of Annexure-I to G.O.Ms.No.213, Finance & Planning (P.W.PSC) Dept., dt. 19-12-1997, the pensioner has to furnish necessary certificate, viz. life certificate, non-employment certificate and non-marriage certificate in respect of family pension to the paying bank branch in the month of November and the paying bank branch in the month of November and the paying bank shall send the certificates along with the verification report of the pension to the S.T.O./Pension Payment Office.** This scheme in question has been implemented strictly from 1-4-1999 extending time from time to time. As per the rule quoted above, the paying bank branch is fully responsible to identify the pensioner and send the certificates in question to the PPO along with the verification report. As mentioned in the sheet enclosed to the charge memo, he sent the pension to the said bogus pensioner for the period from 12/99 to 11/2001. He was not a APPO by the time of receipt of this said bogus PPO in the O/o. the APPO. He need not insist the certificates in question including life certificate as he told that he paid the pension through bank from 12/99 onwards. This is not correct and he send pension from 1/2000 as he

joined as APPO, Punja Gutta on 30-12-1999. The next life certificates were due in the month of Nov. 2000 and Nov. 2001. The pensioner can file certificates before the end of December and in case the certificates are not furnished before December and in case the certificates are not furnished before December his pension shall be stopped from January onwards. Only one life certificate signed by the Manager, SBI, Banjara Hills as on 12-4-2000 could be seen in the documents furnished to him. **Hence, Sri Naseeruddin Ahmed, APPO, (Retd.) has requested to drop the charge framed against him and to order the release of his pensionary benefits without causing financial loss and mental agony to him.**

**4. The defence of the charged officer that he had paid pension to bogus pensioners based on the life certificates is not at all tenable. It may not be possible to others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer is not satisfactory. The truth will come out only in a common inquiry of all the charged officers involved in the case.** Hence, the Government have decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 charged officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer Sri Md.Naseeruddin Ahmed, APPO (Retd.), Treasury and Accounts Department and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

**6. The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has furnished his report vide reference 4<sup>th</sup> read above. In the Enquiry the charge framed against Sri Md.Naseeruddin Ahmed, APPO (Retd.) has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri Md.Naseeruddin Ahmed, APPO (Retd.) as to why a suitable punishment should not be imposed against him as the charge framed against has been proved in the inquiry vide reference 5<sup>th</sup> cited.**

7. Sri Md.Naseeruddin Ahmed, APPO (Retd.) **in his representation** while reiterating the points mentioned in his statement of defence, has requested to drop further action against him.

**8. Government after careful consideration of the findings of the Inquiry Authority and representation of the Charged Officer, has provisionally decided to impose a punishment of withholding of Rs.2,250/- from his pension for a period of 12 months and issued a final Show Cause Notice to him vide reference 7<sup>th</sup> read above.**

9. *According to Rule 9 (1) A.P. Revised Pension Rules, 1980, "The Government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and*

consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government."

10. Sri Md.Naseeruddin Ahmed, APPO (Retd.) in his explanation to the Final Show cause notice dated 22-06-2010 has stated that he have no objection to recover the amount withholding of Rs.2,250/- per month from his pension for a period of Twelve (12) months and requested to release his pensionary benefits immediately as facing financial hardship.

11. Government, after careful consideration of the material on record ie. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices, **provisionally decided to impose a punishment of** withholding of Rs.2,250/- from his pension for a period of 12 months on Sri Md.Naseeruddin Ahmed, APPO (Retd.) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Sri Md.Naseeruddin Ahmed, APPO (Retd.) and intimate the same to the Government for taking further action.

12. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 10<sup>th</sup> read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.2,250/- per month from pension for a period of 12 months on the Charged Officer Sri Md.Naseeruddin Ahmed, APPO (Retd.).

13. Government accordingly, hereby order for imposition of a punishment of withholding Rs.2,250/- per month from pension for a period of 12 months on the Charged Officer Sri Md.Naseeruddin Ahmed, APPO (Retd.) under Rule 9 of A.P. Revised Pension Rules, 1980.

14. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

15. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**L.V. SUBRAHMANYAM  
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

SF/SC

**:: FORWARDED BY ORDER ::**

**SECTION OFFICER**